

# NR 445 Small Business Impact Analysis Surveys



## Air Issues Update - January 2002

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Small Business Clean Air Assistance Program

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# Purpose of Surveys

- All state agencies required by state statute to evaluate the impact of rules on small businesses.
- SBCAAP (nonregulatory/confidential) trying to help determine how the rule will affect small businesses.
- Businesses more likely to open up and discuss compliance issues with SBCAAP vs. DNR in a face-to-face discussion.

# Survey Process

- **Ten Surveys Conducted To Date.**
  - Wood Products (4)
  - Printing (3)
  - Metal Product Coating/Fabrication (2)
  - Biotech (1)
- **Three Businesses Contacted Found Not Affected by Changes and Didn't Want To Be Surveyed**
- **Sectors Represent Large Industry Type Groups Among WI Businesses**
- **More Potential Surveys With Printing, Metal Products, Food, or Electronics**

# Company Profiles

- **Facility Personnel Surveyed:**
  - Staff (safety, quality, other responsibilities)
  - EHS Manager
  - CEO and Executive VP
- **Net Sales Range: \$800,000 to \$65MM**
  - Median of Range = \$9.5MM
- **Number Employees: 10 to 500**
- **Regulated Under NR 445? 3 of 10**
- **How Long Regulated? 5-7 years**

# Company Profiles

- Other Regulations:
  - Air Emission Inventory? 8 of 10
  - Air Permits?
    - Synthetic Minor Permit - 8 of 10
    - Minor Operation Permits- 1 of 10
  - Haz Waste Generator Status
    - Large Quantity Generator - 1 of 10
    - Small Quantity Generator - 3 of 10
    - Very SQG - 3 of 10

# Company Profiles

- None Regulated Under Following:
  - Reasonably Available Control Technology,
  - Prevention of Significant Deterioration,
  - New Source Performance Standards,
  - Federal Hazardous Air Pollutants,
  - Major Source Operation Permits,
  - Wastewater Permits,
  - Solid Waste Permits,
  - Federal Toxic Release Inventory

# Management System for Environmental Regulations?

- Biggest Already Computerized
  - Smaller Ones Find Software for MSDS, etc. too Expensive
- Most Rely on Environmental Organizations to Keep Up to Date
  - EHS Manager Uses Online Regulatory Update Services and MSDS Storage to Manage All Aspects
  - Smallest Waits Until DNR Tells What To Do
  - Others Also Rely on Air Inspectors for Updates (What Happens When DNR NOT Up to Date?)

# NR 445 Experiences

- **3 out of 10 businesses affected by NR 445**
  - Two Businesses Had Recent Construction Projects Affected by NR 445 Regulations
  - All Three Opted for Permit Restrictions to Avoid Controls (in Either Operation or Construction)
- **Found Permit Writers for New Projects Not As Flexible As Possible Under Regs**
  - Permit Conditions More Constraining Than Necessary Based On Source's Proposal
- **In-house Permit Application Process Ranged from \$8000 to \$20,000 in Staff Time Alone**
  - Where CEO and VP Sizeable Portion of Time, Costs Higher



# Knowledge of NR 445 Proposed Rule Changes

- Only 3 of 10 Knew of List, But No Details On Proposed “Short Cuts”
  - Initial Screen: Even Smallest Surveyed is Too Big to Use, Few Small Manufacturers May Use or Find a Time Saver
  - Search & Inquiry: Most Prefer Guidance Over Details in Rule
  - Extra Stack Heights: Most Thought a Good Addition, Especially for Future Construction
  - Modeling Off-Ramp: Those With Some Computer Expertise Would Use if Necessary

# Knowledge of NR 445

## Proposed Rule Changes

- **Alternatives to BACT/LAER:** Use If Necessary; One Comment That “Shows DNR Willing to Work With Sources Rather Than Force Controls”
- **Limited Applicability Tables:** More Useful if Specific to More Industries
- **Performance Standards:** Difficult to Make Specific to Industries
- **Compliance Certification:** Good Alternative to Permit; Save Time and Money

# Preparation for Meeting

- All But Smallest Reviewed at Least Short List (Process Specific)
  - Smallest Would Need Detailed Guidance (Even Then Might Ignore)
- Just Compared MSDS with HAP Compounds on List
- Average Time Spent 1-2 Hours; High Was 15 Hours
  - For Some, Included Past Review Time
  - High Was EHS Manager for 4 plants with Hundreds of Materials to Review MSDS
  - Using Average Labor Costs, Range from \$60 to \$240 for Short Review and up to \$1800 for Long Review

# Compliance Options

- If Affected, Most Would Choose to Eliminate or Reduce HAPs Usage
  - In Case of Foreign Competition or Needs of Customers, Just Deal with Add-on Controls
- All Add to Existing Records System
  - Difficulty for One with Complex Formulations Keeping Conservative Records Now - Add 2 Staff to Track New HAPs Specifically = \$70,000
  - Rest Have Minimal Extra Costs

# Regulatory Hurdles in New or Existing Rule?

- Compounds Not Always Volatile in Use - Disagrees With Listing All
- If Ever Need to Hire Consultant - Costs Too High for Really Small Business
- Have Few HAPs Now, Changes Infrequent
  - Easy to Manage Review of New Materials to Check for HAPs
- Extra Regs = Will Rethink New Processes Because Controls Needed to Compete Internationally

# Regulatory Hurdles in New or Existing Rule?

- Shorten List - Help to Those Without Access to Expensive Assistance
- Provide Tools or Other Resources for Small Businesses to Get Access to Assistance on Complex Regs
  - Provide Assistance in Form of Topic and/or Industry Specific Workshops - ASAP After Rule Effective Date
  - Use Business Resources: Chamber Of Commerce - Mfg Divisions, Bankers, Trade Associations

# Suggestions to DNR

- **Process or Industry Limited Tables of Compounds**
- **Training - with Some Industry Specifics, Time for One-on-One Assistance at End**
- **Database - Electronic Format for List of Chemicals to Help Search MSDS**

# Interested in Being Surveyed?

- To Round Out Results Would Like A Few More One-on-one Surveys
- Benefits to Survey
  - Input and Suggestions Help DNR Craft Better Assistance Tools
  - One-on-one Compliance Assistance to Help Determine If Rule May Affect You
  - Be Kept in the Loop As The Rule Changes Evolve



# If Interested or Have Questions

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- **Printing, Metal Products, Food, and Electronics companies encouraged to participate!**